

**[Rosemont Copper Company Letterhead]**

Draft July 9, 2013

Suzanne Shields  
Director  
Pima County Regional Flood Control District  
97 E. Congress, 3<sup>rd</sup> Floor  
Tucson, AZ 85701-1797

**Re: Letter of Intent on Temporary Water for Cienega Creek Natural Preserve Pilot Project**

Dear Ms. Shields:

This Letter of Intent is intended to memorialize discussions between the Pima County Regional Flood Control District (PCRFCF) and Rosemont Copper Company (Rosemont) concerning a program for delivering water controlled by Rosemont in Pantano Creek for the creation of a pilot project designed to demonstrate the feasibility of reviving and maintaining habitat in the Cienega Creek Natural Preserve.

Rosemont has offered to use its best efforts to effectuate the following:

- Rosemont will cooperate with the Seller of the Water Rights currently associated with the Del Lago Dam and golf course to allow controlled releases of up to 46 acre feet per year into Pantano Creek without affecting the permanent water rights of the Seller or Rosemont.
- Rosemont will cooperate with PCRFCF to select up to three release points along the existing Del Lago pipeline so that water may be released at regular intervals to stream bank and riparian areas adjacent to the natural channel of Pantano Creek (or its immediate ephemeral tributaries) in the area between the dam and Colossal Cave Road, commencing in calendar year 2014.
- Rosemont will cooperate with the Seller and PCRFCF to construct the necessary release valves at the selected locations along the pipeline, with construction intended to begin early in the first quarter of calendar year 2014. Reasonable metering equipment will be installed to determine the quantities of the releases. All will be done at Rosemont's sole cost.
- Rosemont will provide the necessary labor and oversight to make the controlled releases from the release valves in accordance with its agreement with the Seller, and shall provide all data accumulated on the time and volume of those releases to PCRFCF.
- PCRFCF will be responsible for accumulating data on the results of the pilot project and demonstration of the effect of the releases, and will share that information with Rosemont.
- The pilot project is intended to begin releases in the late first or early second quarter of 2014 and continue through the year (up to the maximum of 46 acre

feet), and continue again through calendar year 2015 (up to an additional 46 acre feet). At the end of the project, PCRFC and Rosemont will cooperate to develop a final analysis of the results of the pilot project.

We believe that this pilot project represents a unique opportunity to make releases of water at strategic locations and in controlled circumstances, so as to provide insight and understanding of system responses to augmented water supplies.

This LOI is not binding on either party, and creates no legal obligations. It is intended merely as a statement of interest to proceed in good faith. Neither party will be bound to any obligation unless and until a formal agreement is prepared, approved and executed by the parties. We witness this statement by our mutual signatures below.

**Rosemont Copper Company**

**Pima County Regional Flood  
Control District**

By: \_\_\_\_\_  
Jamie Sturgess

By: \_\_\_\_\_  
Suzanne Shields

Its: \_\_\_\_\_

Its: Director